

No. **S-160322**  
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 APPLICATION**

**Name of Applicant:** FTI Consulting Canada Inc., (the "Receiver")

To: the attached Service List, as **Schedule "A"**

TAKE NOTICE that an application will be made by the Applicant to the presiding Judge at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on 29/Nov/2018 at 9:45 a.m. for the Orders set out in Part 1 below.

#### **PART 1: ORDERS SOUGHT**

An order, substantially in the form attached as **Schedule "B"**:

1. Approving the execution of the Asset Purchase Agreement ("APA") dated October 22, 2018 by the Receiver as Vendor and MCC Canadian Gold Ventures Inc. as Purchaser ("MCC Canadian Gold") the "Transaction").
2. Authorizing the Receiver to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and or for the conveyance of the assets to MCC Canadian Gold.
3. Approving the vesting of the assets to MCC Canadian Gold free and clear of all liens, charges, security interests and other encumbrances.
4. Approving the Receiver's actions and conduct throughout the course of the Receivership proceedings.
5. Approving the Receiver's schedule of Receipts and Disbursements.
6. Approving the Receiver's fees, expenses and disbursements as outlined in the First and Second Reports of the Receiver.

7. Discharging the Receiver upon the completion of the Transaction.
8. Such further and other relief as counsel may request and this Honourable Court may allow.

## **PART 2: FACTUAL BASIS**

1. On January 15, 2016, FTI Consulting Canada Inc. ("FTI") was appointed Receiver over the assets, undertakings and properties of Banks Island Gold Ltd. (the "Company") pursuant to an order of this Honourable Court (the "Receivership Order").
2. The Company owns and operated the "Yellow Giant" mine encompassing a gold mining operation on the remote Banks Island which is situated approximately 90 miles from Prince Rupert.
3. The Company's senior secured lender MCC Non-Ferrous Trading Inc. (the "Lender" or "MCC") enforced its security following the Company on January 8, 2016 assigning itself into bankruptcy.
4. At this time, the trustee did not have adequate funding in place to ensure the ongoing security of the mine site including secure storage of explosives, chemicals and environmental security generally. Accordingly, FTI was appointed Receiver.
5. The Receivership Order authorized the Receiver to *inter alia*
  - (a) Take possession of and exercise control over any or all assets, undertakings and properties of the Company, including any proceeds thereof (the "Property") and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) 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;
  - (c) 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;

- (d) 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;
  - (e) Consult with representatives of Gitxaala Nation (the "Gitxaala") with regard to the potential sale of the Property and the potential future use of the Property;
6. As detailed in the first report of the Receiver, subsequent to its appointment the Receiver undertook the following steps to market the Company's assets on an *en-bloc* basis:
- (a) Prepared a marketing brochure which included an overview of the assets, the history and geology of the Yellow Giant mine site and outlining the details of the timeline for the sale process;
  - (b) Compiled materials deemed necessary for interested parties to perform due diligence procedures through an online data room;
  - (c) Performed market research to determine parties considered as possible purchasers of the Company's assets;
  - (d) Forwarded the marketing brochure along with a blank form of confidentiality agreement to each of the interested parties identified; and
  - (e) In addition to the parties identified by the Receiver from its market research, additional parties contacted the Receiver directly expressing their interest in purchasing the Company's assets.
7. As a result, 69 parties were approached by the Receiver. The deadline for the receipt of Letters of Interest ("LOI") was April 6, 2016.
8. Eighteen interested parties signed confidentiality agreements and were provided with access to the data room.
9. The Receiver arranged for the former geologist of the Company to be available for questions from interested parties and the Receiver responded to numerous requests for information during the due diligence process.
10. Despite the Receiver's efforts, no LOI's were received at the deadline date.
11. The Receiver informed all of the parties that were still expressing interest in the acquisition opportunity that any competitive offers would be considered regardless of the expired LOI submission deadline.

12. The Receiver continued to respond to queries from these parties however all of those parties eventually decided to withdraw from the process.
13. MCC believed that the mine was still economically viable and continued to have discussions with the Gitxaala Nation about the possibility of re-opening the mine with its co-operation.
14. Those discussions have now advanced to the point where MCC has decided to submit an offer for the remaining assets of the Company. The assets would primarily consist of the mineral tenures held by the Company, and any permits or licenses related to the mineral tenures as well as the remaining equipment and machinery that was not sold through the auctions conducted by Maynards.
15. Subsequently, MCC assigned its right, title and interest in its debt and related security to a related party being MCC Canadian Gold (the "Purchaser") under the APA.
16. The APA contemplates that the purchase price will be satisfied primarily by way of MCC Canadian Gold's secured debt.
17. The Receiver submits that the assets have been extensively marketed and the offer from MCC Canadian Gold represents the highest value received from any party. In addition, it appears that MCC Canadian Gold intends to pursue the re-opening of the mine which would among other things:
  - (a) provide employment to the local area,
  - (b) provide revenue to the provincial government of British Columbia from mining royalties,
  - (c) provide economic benefits to the Gitxaala, and
  - (d) mitigate the reclamation costs that may otherwise potentially be borne by the Ministry of Energy and Mines and ultimately the tax payer.
18. The Receiver has acted reasonably and in good faith and in compliance with the Receivership Order and the duties imposed by the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, and the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 during the administration of the receivership and recommends that its, and its counsel's actions, conduct and activities as well as its receipts and expenditures should be approved.

### **PART 3: LEGAL BASIS**

1. The Receivership Order authorized and directed the Receiver to sell the assets and undertakings of the Company.

2. The Receiver has adequately marketed the assets of the Company as described in the Receiver's first and second report in accordance with the principles of the case *Royal Bank of Canada v. Soundair Corp.* [1991] O.J. No. 1137 (C.A.) ("Soundair").
3. In *Soundair*, the Ontario Court of Appeal summarized the factors to be considered by the Court in approving an asset sale outside the ordinary course of business in an insolvency proceeding (collectively, the "Soundair Principles"):
  - (a) whether sufficient effort has been made to obtain the best price and the applicant has not acted improvidently;
  - (b) the interests of all parties;
  - (c) the efficacy and integrity of the process by which offers were obtained; and
  - (d) whether there has been unfairness in the process.
4. Absent a violation of the Soundair Principles, the Court should place particular weight on the court appointed officer's recommendation for the Transaction.
5. The Receiver submits that the proposed transaction satisfies the Soundair Principles because:
  - (a) The sale process was a thorough and fair process to obtain bids;
  - (b) No offers received would be sufficient to pay the Lenders' Indebtedness;
  - (c) The Transaction will permit the mine to be reopened, its suppliers and future employees to have the benefit of continuing contracts and jobs;
  - (d) It will provide employment to the local area;
  - (e) It will provide revenue to the provincial government of British Columbia from mining royalties;
  - (f) It will provide economic benefits to the Gitxaala; and
  - (g) It will mitigate the reclamation costs that may otherwise potentially be borne by the Ministry of Energy and Mines.
6. Prior to entering into the Transaction, the Receiver conducted the sale process in a fair, reasonable and thorough manner to ensure the fairness and efficacy of the process and that the final sale would represent the best price for the assets. The Transaction was only entered into after it became clear that no better result could be achieved.

7. In *Montrose Mortgage Corp. v. Kingsway Arms Ottawa Inc.*, 2013 ONSC 6905, this Honourable Court noted that:

The application materials described in detail the efforts Jenson undertook to market the properties, which included advertisements, direct contact with potential purchasers, the preparation of a confidential information memorandum and granting access to data to those who made serious expressions of interest. Few offers resulted. Most offers, if accepted, would have resulted in a significant shortfall on the debt.

8. Ultimately, due to the lack of commercially reasonable bids, the senior secured creditor of Montrose credit bid for the assets of the debtor. On the basis of the evidence set out above the Court ultimately held:

The record revealed a professional and prolonged effort to elicit interest in the properties from third party purchasers, but it appeared that market conditions were such that interest could not be generated at a level which would cover the senior secured indebtedness. As to the reasonableness of the credit bid, the appraisals provided the independent evidence necessary to conclude that the proposed sale price was reasonable in the circumstances. Finally, the proposed sale agreement gave proper treatment to claims in priority to that enjoyed by Montrose.

Given those circumstances, I concluded that it was just and convenient to appoint GTL as receiver of the Debtors and to approve the proposed sale.

9. The facts before the Court in this instance are similar.
10. The sales process canvassed a broad range of potential bidders and provided them all with a fair and equal opportunity to participate and bid on the Assets. This included the preparation of teasers, direct contact with potential purchasers, and the provision of the marketing brochure for those parties who signed confidentiality agreements and the preparation of an on-line data room.
11. None of the potential bidders offered a purchase price or submitted an LOI that was close to the value of the Indebtedness to the Lender MCC.
12. The Receiver is confident that the sales process effectively tested the market and that the Transaction represents the highest and best offer for the Assets.
13. As noted above, the Transaction is the result of a thorough and fair process and provides for the best result for stakeholders of the Company including the Gitxaala Nation.

14. Neither liquidation nor any alternative going concern sale would come close to providing value sufficient to retire the Lenders' properly perfected senior secured loan and a liquidation would be likely to significantly increase the Lender's' losses on its existing senior secured debt.
15. By permitting a seamless transition of the business to new ownership and what amounts to a consensual compromise of the Indebtedness owed to the Lender, the Transaction will cause minimum disruption to the business if approved.
16. For these reasons the Receiver submits that the Soundair Principles militate in favour of this Court approving the Transaction and authorizing and directing the Receiver to execute the Sale Agreement and perform the terms of the Transaction.
17. The fees and expenses of the Receiver from the commencement of the proceedings to end of April 2018 total \$227,233.01 including GST.
18. The fees and expenses of the Receiver's legal counsel from January 15, 2016 to end of October 2018 total \$62,605.59 inclusive of GST and PST.
19. It is anticipated that the Receiver will need to complete further administrative matters, including the closing of the Transaction, dealing with wage claims under the Wage Earner Protection Program, preparing final governmental and regulatory returns, and preparing a final report for the Office of the Superintendent of Bankruptcy.
20. It is anticipated that the Receivers additional fees and expenses for it and its legal counsel to prepare the application materials, attend to court to approve the Transaction and conclude the administrative matters will approximate \$40,000 to \$50,000 exclusive of GST.
21. The fees of the Receiver and its counsel as detailed in the accounts are reasonable and appropriate in the circumstances and should be approved.
22. The Receiver respectfully requests approval of its anticipated costs and disbursements in order to complete its work and upon the filing of a Receiver's Certificate confirming that the Transaction has been successfully concluded, the Receivership proceedings be terminated and the Receiver be discharged.

#### **PART 4: MATERIAL TO BE RELIED ON**

1. Affidavit #1 of Craig Munro, made November 14, 2018.
2. First Report of the Receiver, filed September 23, 2016.
3. Second Report of the Receiver, to be filed.
4. Receivership Order, pronounced January 15, 2016.

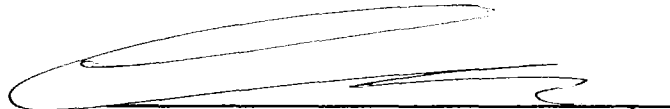
The Applicant estimates that the application will take 30 minutes.

- This matter is within the jurisdiction of a Master.
- This matter is not within the jurisdiction of a Master.

**TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION:** If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application:

- (a) file an Application Response in Form 33;
- (b) file the original of every Affidavit, and of every other document, that:
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding; and
- (c) serve on the Applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of filed Application Response;
  - (ii) a copy of each of the filed Affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: November 15<sup>th</sup>, 2018



Signature of Lawyer for Applicant  
Lawyer: Christopher J. Ramsay

This NOTICE OF APPLICATION is prepared by Christopher J. Ramsay of the firm of **Clark Wilson LLP** whose place of business is 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 (Direct #: 604.643.3176, Fax #: 604.687.6314, Email: CRamsay@cwilson.com) (File #: 43663-0002).



**To be completed by the court only:**

Order made

- in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this Notice of Application
- with the following variations and additional terms:

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Date: \_\_\_\_\_  
[dd/mmm/yyyy]

Signature of  Judge  Master

## APPENDIX

*[The following information is provided for data collection purposes only and is of no legal effect.]*

### THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matters concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

**Schedule "A"**

**No. S-160322**  
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**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

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

**SERVICE LIST**

Updated: November 14, 2018

**Clark Wilson LLP**

900 - 885 West Georgia Street  
Vancouver, BC V6C 3H1

Attention: Christopher J. Ramsay  
Katie Mak

Email: cjr@cwilson.com  
kgm@cwilson.com  
dht@cwilson.com

*Counsel for the Receiver*

**FTI Consulting Inc.**

Suite 15 – 131, 555 Burrard Street  
Vancouver, BC V7X 1M8

Attention: Craig Munro

Tel: 604-601-5699  
Email: craig.munro@fticonsulting.com

*Receiver*

**Banks Island Gold Ltd.**

Registered and Records Office  
Suite 1200-750 West Pender Street  
Vancouver, BC V6C 2T8

**D. Manning & Associates Inc.**

in its capacity as Trustee of Banks Island  
Gold Ltd.  
Suite 520, 625 Howe Street  
Vancouver, BC V6C 2T6

**Gitxaala Nation**

PO Box 149  
Kitkatla, BC, VOV 1C0

**Bank of Montreal**

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

**National Leasing Group Inc.**

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

**ATCO Structures & Logistics Ltd.**

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

**Finning International Inc.**

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

**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

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

**Sissons Enterprises Corp.**  
**c/o Miller Thomson**  
Registered and Records Office  
2700, 10155 -102 Street  
Edmonton, AB T5J 4G8

Fax: 780-424-5866

**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

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

**MCC Non Ferrous Trading Inc.**  
**c/o Gowling Lafleur Henderson LLP**  
2300 – 550 Burrard St., Box 30  
Vancouver, BC V6C 2B5

**Office of the Superintendent of Bankruptcy**  
300 Georgia Street W, Suite 2000  
Vancouver, BC V6B 6E1

Attention: Gary Sam

Email: [gary.sam@canada.ca](mailto:gary.sam@canada.ca)

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

**Selkirk Metals Corp.**  
**c/o Alexander Holburn Beauding & Lang LLP**  
700 W. Georgia, 2700 Box 10057  
Vancouver, BC V7Y 1B8

**c/o Gowling Lafleur Henderson LLP**  
2300 – 550 Burrard St., Box 30  
Vancouver, BC V6C 2B5

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

**Tanks Direct**  
**c/o Miller Thomson**  
Registered and Records Office  
2700, 10155 -102 Street  
Edmonton, AB T5J 4G8

Fax: 780-424-5866

**Locher Evers International**  
**c/o Lawson Lundell**  
1600 – 925 West Georgia Street  
Vancouver, BC V6C 3L2

**Ministry of Finance, Receivables Management  
Office**

Attention: Kelly Werbowski

Email: [Kelly.Werbowski@gov.bc.ca](mailto:Kelly.Werbowski@gov.bc.ca)

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                    )  
                              ) JUSTICE                                )                    29/Nov/2018  
                              )    )

ON THE APPLICATION of FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Banks Island Gold Ltd. (the "**Debtor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Sale Agreement**") between the Receiver and MCC Canadian Gold Ventures Inc. (the "**Purchaser**") dated October 22, 2018, and vesting in the Purchaser (or its nominee, if any) the Debtor's right, title and interest in and to the "**Purchased Assets**" as defined in the Sale Agreement; coming on for hearing at Vancouver, British Columbia on November 28, 2018 and on hearing Christopher J. Ramsay, counsel for the Receiver and the counsel on the list attached hereto as **Schedule "A"**, and upon reading the materials filed, and pursuant to the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

**THIS COURT ORDERS AND DECLARES THAT:**

**SERVICE**

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

## APPROVAL OF CONDUCT

2. The actions, conduct and activities of the Receiver and the Receiver's counsel set out in the First and Second Report are hereby approved and confirmed.
3. The Receiver's statement of receipts and disbursements as set out in the Second Report, are hereby approved and confirmed.
4. The Receiver's fees and disbursements from August 2016 to April 30, 2018 as described in the first Affidavit of Craig Munro, including the Receiver's legal fees from January 2016 to the completion of the Receivership are hereby approved and confirmed.
5. The Receiver's anticipated fees and disbursements from May 2018 onwards as set out in the Second Report through to the completion of the Receivership are hereby approved and confirmed.

## Discharge of Receiver and Termination of Receivership

6. The Receiver is hereby discharged from its duties under the Receivership Order, and these Receivership proceedings are terminated effective immediately upon the date the Receiver files in these proceedings the Receiver Discharge Certificate attached as **Schedule "B"** to this Order.

## APPROVAL OF TRANSACTION

7. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee, if any).

## VESTING OF PROPERTY

8. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee, if any) substantially in the form set out in **Schedule "C"** to this Order (the "**Receiver's Vesting Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets as specifically described in the Sale Agreement and listed on **Schedule "D"** hereto shall vest absolutely in the name of the Purchaser (or its

nominee, if any), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order; and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, RSA 2000, c P-7 or any other personal property registry system;

but excluding those Claims listed on **Schedule "E"** to this Order (all of which are collectively referred to as the "**Permitted Encumbrances**"). For greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, except for the Permitted Encumbrances.

9. Upon the delivery of the Receiver's Vesting Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Ministry of Forests, Lands, Natural Resource Operations & Rural Development ( the "Mining Recorder Registrar") is hereby authorized, requested, and directed to effect an immediate transfer of the mineral claims and tenures as listed on **Schedule "D"** to this order from Banks Island Gold Ltd. to the Purchaser.

10. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.

11. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee, if any).

12. The Purchaser (or its nominee, if any) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference

of or by the Debtor, or any person claiming by or through or against the Debtor.

13. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.

14. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee, if any).

15. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (the "BIA") in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the provisions of any federal or provincial legislation:

the vesting of the Purchased Assets in the Purchaser (or its nominee, if any) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee, if any) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

#### **MISCELLANEOUS MATTERS**

17. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the



terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as 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.

18. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

19. Service of this Order on any party not attending this application is hereby dispensed with.

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:

\_\_\_\_\_  
Signature of Lawyer for FTI Consulting Canada Inc.  
Lawyer: Christopher J. Ramsay

BY THE COURT

\_\_\_\_\_  
Registrar



**Schedule "B"****No. S-160322**  
Vancouver Registry**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY****IN THE MATTER OF THE RECEIVERSHIP OF  
BANKS ISLAND GOLD LTD.****RECEIVER DISCHARGE CERTIFICATE**

PURSUANT TO AN ORDER of the British Columbia Supreme Court (the "Court") granted on January 15, 2016, FTI Consulting Canada Inc. was appointed the Receiver and manager over the assets, undertakings and properties (the "Receiver") of Banks Island Gold Ltd.

PURSUANT TO THE ORDER of the Court made in these proceedings on November 29, 2018 the Receiver hereby certifies as follows:

1. The Receiver has completed all its obligations, duties and responsibilities as Receiver of Banks Island Gold Ltd and the Receivership is concluded.

DATED at the City of Vancouver, in the Province of British Columbia, this \_\_\_\_ of \_\_\_\_\_, 2018

**FTI CONSULTING CANADA INC.**, in its capacity as the Court-appointed receiver and manager of **BANKS ISLAND GOLD LTD.** and not in its personal capacity

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

Name: Craig Munro

Title: Managing Director

**Schedule "C"**

**No. S-160322**  
Vancouver Registry

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

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

**RECEIVER'S VESTING CERTIFICATE****RECITALS**

A. PURSUANT TO AN ORDER of the British Columbia Supreme Court (the "Court") granted on January 15, 2016, FTI Consulting Canada Inc. was appointed the Receiver and manager over the assets, undertakings and properties (the "Receiver") of Banks Island Gold Ltd.

B. Pursuant to an Order of the Court dated November 29, 2018, the Court approved the asset purchase agreement made as of October 22, 2018 (the "**Sale Agreement**") between the Receiver and MCC Canadian Gold Ventures Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets in accordance with section 4.1 and 4.2 of the Sale Agreement (ii) that the conditions to Closing as set out in Sections 12, 13 and 14 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee, if any) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The conditions to Closing as set out in Sections 12, 13, 14 and 18 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee, if any).
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [•] on [•].

**FTI CONSULTING CANADA INC.**, in its capacity as the Court-appointed receiver and manager of **BANKS ISLAND GOLD LTD.** and not in its personal capacity

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

Name: Craig Munro

Title: Managing Director

## Schedule "D"

## PURCHASED ASSETS

All Equipment, Books and Records, Computers, Intellectual Property and Software, and all right, title and interest in and to the Mineral Tenures and the Security Bond, including

## Equipment

1. Tamrock twin arm jumbo bolter, type THC 500, fire suppression, 12.00R20 tires, 15' arms (4) outriggers, motor meter reading 12,070, meter reading 5,713 on boom, meter reading 12,497 on boom 2, 2000 on engine.
2. Sepro Modular Grinding and Flotation Plant.

## Mineral Tenures

Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
514646		276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	578.819
603539		276665 (100%)	Mineral	Claim	103G	2008/apr/28	2024/jan/01	GOOD	463.114
603540		276665 (100%)	Mineral	Claim	103G	2008/apr/28	2024/jan/01	GOOD	193.0103
603543		276665 (100%)	Mineral	Claim	103G	2008/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	482.2081
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	482.8719
843450	B15	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	424.8963
843451	B16	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	444.2863
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
917808	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
1018798	BANKSE1	276665 (100%)	Mineral	Claim	103H	2013/may/26	2024/jan/01	GOOD	1833.1911
1019800	BANKSCH	276665 (100%)	Mineral	Claim	103G	2013/may/26	2024/jan/01	GOOD	771.173
1023544		276665 (100%)	Mineral	Claim	103H	2013/nov/02	2024/jan/01	GOOD	38.638
1025855	MT	276665 (100%)	Mineral	Claim	103G	2014/feb/14	2016/feb/14	FORF 2016/feb/14	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	FORF 2016/feb/11	18.2882
1037803	DISCO	276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	38.5871
1037804		276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	1176.8014
1037805	kim	276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	115.7448

**Schedule "E"**

**PERMITTED ENCUMBRANCES**

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No. **S-160322**  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

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

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**ORDER MADE AFTER APPLICATION**

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File No.: 43663-0002

**CLARK WILSON LLP**  
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