



Estate No. 11-1904494
Court No. B141089
Vancouver Registry

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

**IN THE MATTER OF THE BANKRUPTCY OF
CRESTON MOLY CORP.**

NOTICE OF APPLICATION

Name of applicants: Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Creston Moly Corp. (in such capacity "**Creston Trustee**")

ON NOTICE TO: Sattva Capital Corp.,
Miller Thomson LLP.,
Tenajon Resources Corp., and
The Office of the
Superintendent of Bankruptcy

AND TO: Their lawyers

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, V6Z 2E1 on February 4, 2015 at 9:45 a.m. for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. Creston Trustee seeks orders substantially in the form attached hereto as Schedule "1" that:
 - (a) The time for and manner of service of this Notice of Application be abridged and approved and service of this Notice of Application upon any interested party who was not actually served is dispensed with.
 - (b) Creston Moly Corp. ("**Creston Moly**") be and is hereby absolutely discharged from bankruptcy subject to and conditional upon the Trustee paying:
 - (i) \$2,018.27 to Miller Thomson LLP being \$2,124.00 less the applicable levy payable to the Office of the Superintendent of Bankruptcy; and
 - (ii) \$123,500 to Sattva Capital Corp. being \$130,000 less the applicable levy payable to the Office of the Superintendent of Bankruptcy;

- (ii) \$123,500 to Sattva Capital Corp. being \$130,000 less the applicable levy payable to the Office of the Superintendent of Bankruptcy;

such payments (the "**Creditor Payments**") representing full satisfaction of the claims of the creditors of Creston Moly pursuant to s. 169(4) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

- (c) The Creston Trustee shall file with the Office of the Superintendent of Bankruptcy and the Court a certificate confirming that the Creditor Payments have been made and that the discharge of Creston Moly has taken place.

2. The Creston Trustee further seeks an order substantially in the form attached hereto as Schedule "2" that:

- (a) The time for and manner of service of this Notice of Application be abridged and approved and service of this Notice of Application upon any interested party who was not actually served is dispensed with.
- (b) The conduct and activities of Creston Trustee as set out in the Final Report of Creston Trustee dated January 29, 2015 (the "**Report**") are hereby approved.
- (c) The taxation of the fees and disbursements of Creston Trustee and its counsel Gowling Lafleur Henderson LLP as set out in the Report are hereby approved.
- (d) The accounts of Deloitte Corporate Finance Inc. issued pursuant to the Engagement Letter attached as Schedule "A" to the order made herein on December 2, 2015 (the "**Engagement Letter**") as set out in the Report are hereby approved.
- (e) Subject to and upon the closing of the transaction contemplated by the Share Purchase Agreement dated January 16, 2015 (the "**Share Purchase Agreement**") between Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Mercator Minerals Ltd. (in such capacity "**Mercator Trustee**") and Starcore International Mines Ltd. ("**Starcore**") and the receipt by Mercator Trustee of the Closing Cash Consideration (now and hereafter as defined in the Share Purchase Agreement) as may be adjusted from time to time by agreement between Mercator Trustee and Starcore:

- (i) Mercator Trustee shall from the Closing Cash Consideration:

- (A) pay to Creston Trustee;

- (1) sufficient funds to pay the Creditor Payments (now and hereafter as defined in the Order (Discharge of Bankrupt) made contemporaneously with this Order herein) in the amount of \$125,518.27; and

- (2) sufficient funds to pay the applicable levy payable upon the making of the Creditor Payments in the amount of \$6,606.22 (the "Levy Payment"); and
- (B) make the following additional closing disbursements (collectively the "Closing Disbursements"):
- (1) pay to Deloitte Corporate Finance Inc. the amount of \$257,096.00 plus GST in payment of the Transaction Fee (as defined in the Engagement Letter) and as set out in the Report;
 - (2) pay to Creston Trustee the amount of \$86,066.00 plus GST in payment of its outstanding fees and disbursements as set out in the Report;
 - (3) pay to Gowling Lafleur Henderson LLP the amount of \$65,900.38 including GST and PST in satisfaction of its outstanding fees and disbursements as set out in the Report;
 - (4) the Mercator Trustee will retain the amount of \$73,912.50 in full payment of the principal and interest due and owing by the Creston Trustee to the Mercator Trustee pursuant to the Mercator Loan Agreement as defined in the Report; and
- (ii) Creston Trustee shall make the Creditor Payments and the Levy Payment.
- (f) Subject to and upon payment of the amounts set out in the sub-paragraph above:
- (i) all further duties imposed on Creston Trustee by the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 ("*BIA*") or otherwise are waived including but not limited to duties imposed by *BIA* ss. 39(5), 149, and 152(4) and (5) and Creston Trustee is hereby released from such duties; and
 - (ii) Creston Trustee shall be discharged as trustee in bankruptcy of Creston Moly Corp.
- (g) Creston Trustee and Mercator Trustee shall file with the Office of the Superintendent of Bankruptcy and the Court a certificate confirming that the Creditor Payments, Levy Payment and Closing Disbursements have been made and that the discharge of Creston Trustee has taken place.

Part 2: FACTUAL BASIS

1. Mercator Minerals Ltd. ("Mercator") is a base metals natural resource company registered under the laws of the Province of British Columbia engaged in the mining,

- development and exploration of its subsidiary-owned mineral properties in the United States of America, Mexico and Canada;
2. Creston Moly is one of several wholly owned subsidiaries of Mercator and is registered under the laws of the Province of British Columbia, Canada;
 3. Creston Moly is a holding company which owns a 100% interest in three mining properties via its wholly owned subsidiaries:
 - (a) El Creston: a molybdenum/copper exploration and development project located in Sonora, Mexico ("**El Creston**"). The rights to El Creston are owned by a Mexican registered subsidiary Exploraciones Global SA de CV ("**Exploraciones**"), which itself is wholly-owned by an intermediary holding company, Creston Mining Corporation ("**El Creston Co**") El Creston is the most valuable property owned by Creston Moly;
 - (b) Ajax: an exploration stage molybdenum property located near Alice Arm, British Columbia ("**Ajax**"). Owned indirectly by Creston Moly via its wholly-owned subsidiary Tenajon Resources Corp. ("**Tenajon**"); and
 - (c) Molybrook: an exploration stage molybdenum property located on the south coast of Newfoundland ("**Molybrook**"). Owned indirectly by Creston Moly via its wholly owned subsidiary Tenajon;
 4. There are no security interests registered against Creston Moly or its subsidiaries other than those of Mercator Trustee pursuant to the Mercator Loan Agreement (as defined in the Report) which are to be released pursuant to the Share Purchase Agreement.
 5. Excluding inter-company claims which are to be released pursuant to the Share Purchase Agreement there are two proven unsecured claims against Creston Moly, respectively for \$2,124 to Miller Thomson LLP and \$130,000 to Sattva Capital Corp.
 6. On August 26, 2014, Mercator and Creston Moly each filed a Notice of Intention to make a Proposal under Part III, Division I of the Bankruptcy and Insolvency Act ("**BIA**"). Deloitte Restructuring Inc. was appointed as the proposal trustee. Mercator and Creston Moly (collectively, the "**Debtors**") did not make a proposal to their creditors before the expiry of the statutory period for doing so. Pursuant to Section 50.4(8) of the BIA, the Debtors were deemed to have filed assignments in bankruptcy on September 5, 2014. Deloitte Restructuring Inc. was appointed as trustee in bankruptcy of each of the Debtors by the Official Receiver.
 7. Deloitte Restructuring Inc.'s appointments as trustee of the two Debtors were affirmed by the creditors of the Debtors' on September 25, 2014. On the same date Kibben Jackson and Tamara Howarth were appointed Inspectors (the "**Inspectors**") of the estate of Mercator. No inspectors were appointed over the estate of Creston Moly.

8. Creston Trustee and Mercator Trustee sought and obtained court and Inspector approval to engage Deloitte Corporate Finance Inc. (“DCF”) as its advisor to conduct a sales process of:
 - (a) Mercator’s corporate shares in Creston Moly;
 - (b) Creston Moly’s corporate shares in its directly and indirectly held wholly owned subsidiaries, namely Creston Mining, Tenajon, and Exploraciones; or
 - (c) The assets of Creston Moly’s subsidiaries, El Creston, Ajax and Molybrook.
9. The Court order approving the engagement of DCF stated that DCF’s fees for the engagement must be approved by the Inspectors and the Court prior to being paid to DCF.
10. Creston Trustee and Mercator Trustee conducted the sales process with the assistance of DCF. The details of the sales process are contained in the Report.
11. As a result of the sales process Mercator Trustee has entered into the Share Purchase Agreement with Starcore by which Starcore has agreed to purchase all of the outstanding shares of Creston Moly for a sale price of CAD2,000,000.
12. The transaction contemplated by the Share Purchase Agreement (the “**Transaction**”) is conditional upon, among other things, Creston Moly being discharged from bankruptcy and Creston Trustee being discharged as trustee.
13. Creston Trustee brings this application to:
 - (a) Approve its activities, fees and disbursements;
 - (b) Approve the fees and disbursements of its counsel Gowling Lafleur Henderson LLP;
 - (c) Approve the accounts of DCF;
 - (d) Approve the payments to be made on the closing of the Transaction including the Creditor Payments, the Levy Payment and the Closing Disbursements; and
 - (e) obtain its discharge and that of Creston Moly.
14. The proceeds of the Transaction are sufficient to pay the proven claims in the estate of Creston Moly in full, entitling Creston Moly to its discharge.

Part 3: LEGAL BASIS

1. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, in particular sections 34(1), 41, 172 and 169(4);

2. *Bankruptcy and Insolvency General Rules*, C.R.C 1978, c. 368, as am., in particular R. 6(4);

Part 4: MATERIAL TO BE RELIED ON

1. Final Report of Creston Trustee dated 29 January, 2015
2. Affidavit #1 of H. Lee sworn 25 November, 2014
3. Affidavit #1 of P. Chambers sworn 29 January, 2015
4. Affidavit # 1 of K. Becker sworn 28 January, 2015
5. Affidavit # 1 of C. Brousson sworn 29 January, 2015

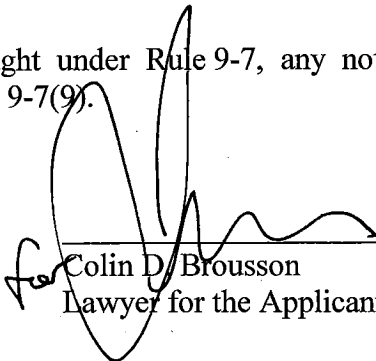
The applicant estimates that the application will take 15 minutes.

This matter is within the jurisdiction of a master if unopposed.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 4 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 one copy of the following:
 - (i) a copy of the 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: January 29, 2014.



for Colin D. Brousson
Lawyer for the Applicants

THIS NOTICE OF APPLICATION was prepared by Colin D. Brousson, of the firm of Gowling Lafleur Henderson LLP, Barristers & Solicitors, whose place of business and address for delivery is 2300 - 550 Burrard Street, Vancouver, B.C. V6C 2B5, Telephone: 604-683-6498; Fax: 604-683-3558.

To be completed by the court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this notice of application
<input type="checkbox"/>	with the following variations and additional terms:

Date: _____	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master

APPENDIX

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 matter 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 "I"

Estate No. 11-1904494
Court No. B141089
Vancouver Registry

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

IN THE MATTER OF THE BANKRUPTCY OF
CRESTON MOLY CORP.

ORDER MADE AFTER APPLICATION

(Discharge of Bankrupt)

BEFORE) WEDNESDAY, THE 4TH DAY
)
) OF FEBRUARY, 2015

THE APPLICATION of Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Creston Moly Corp. (the "Trustee") coming on for hearing at Vancouver, British Columbia, on this day; AND ON HEARING Colin D. Brousson, counsel for the Trustee and other counsel as listed in Schedule "A" hereto; AND UPON READING the material filed:

THIS COURT ORDERS THAT:

1. The time for and manner of service of the Notice of Application dated and filed January 29, 2015 be abridged and approved and service of the said Notice of Application upon any interested party who was not actually served is dispensed with.

2. Creston Moly Corp. ("Creston Moly") be and is hereby absolutely discharged from bankruptcy subject to and conditional upon the Trustee paying:

- (a) \$2,018.27 to Miller Thomson LLP being \$2,124.00 less the applicable levy payable to the Office of the Superintendent of Bankruptcy; and

- (b) \$123,500 to Sattva Capital Corp. being \$130,000 less the applicable levy payable to the Office of the Superintendent of Bankruptcy;

such payments (the “**Creditor Payments**”) representing full satisfaction of the claims of the creditors of Creston Moly pursuant to s. 169(4) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

3. Creston Trustee shall file with the Office of the Superintendent of Bankruptcy and the Court a certificate confirming that the Creditor Payments have been made and that the discharge of Creston Moly has taken place.

THE APPROVAL OF COUNSEL SET OUT IN SCHEDULE “A” OF THIS ORDER IS HEREBY DISPENSED WITH:

Signature of Lawyer for the Trustee
Colin D. Brousson

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

COUNSEL	ACT FOR:

Estate No. 11-1904494
Court No. B141089
Vancouver Registry

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

IN THE MATTER OF THE BANKRUPTCY OF
CRESTON MOLY CORP.

ORDER MADE AFTER APPLICATION

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
Bentall 5, Suite 2300
550 Burrard Street
Vancouver, BC V6C 2B5
Tel. No. 604-683-6498
Fax. No. 604-683-3558
Attn: Colin D. Brousson
File No. V42227

Schedule "2"

Estate No. 11-1904494
Court No. B141089
Vancouver Registry

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

IN THE MATTER OF THE BANKRUPTCY OF
CRESTON MOLY CORP.

ORDER MADE AFTER APPLICATION

(Discharge of Trustee)

BEFORE) WEDNESDAY, THE 4TH DAY
)
) OF FEBRUARY, 2015

THE APPLICATION of Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Creston Moly Corp. ("**Creston Trustee**") coming on for hearing at Vancouver, British Columbia, on this day; AND ON HEARING Colin D. Brousson, counsel for the Trustee and other counsel as listed in Schedule "A" hereto; AND UPON READING the material filed:

THIS COURT ORDERS AND DECLARES THAT:

1. The time for and manner of service of the Notice of Application dated and filed January 29, 2015 be abridged and approved and service of the said Notice of Application upon any interested party who was not actually served is dispensed with.
2. The conduct and activities of Creston Trustee as set out in the Final Report of Creston Trustee dated January 29, 2015 (the "**Report**") are hereby approved.
3. The taxation of the fees and disbursements of Creston Trustee and its counsel Gowling Lafleur Henderson LLP as set out in the Report are hereby approved.

4. The accounts of Deloitte Corporate Finance Inc. issued pursuant to the Engagement Letter attached as Schedule "A" to the order made herein on December 2, 2015 (the "**Engagement Letter**") as set out in the Report are hereby approved.

5. Subject to and upon the closing of the transaction contemplated by the Share Purchase Agreement dated January 16, 2015 (the "**Share Purchase Agreement**") between Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Mercator Minerals Ltd. ("**Mercator Trustee**") and Starcore International Mines Ltd. ("**Starcore**") and the receipt by Mercator Trustee of the Closing Cash Consideration (now and hereafter as defined in the Share Purchase Agreement) as may be adjusted from time to time by agreement between Mercator Trustee and Starcore:

(a) Mercator Trustee shall from the Closing Cash Consideration:

(i) pay to Creston Trustee;

(A) sufficient funds to pay the Creditor Payments (now and hereafter as defined in the Order (Discharge of Bankrupt) made contemporaneously with this Order herein) in the amount of \$125,518.27; and

(B) sufficient funds to pay the applicable levy payable upon the making of the Creditor Payments in the amount of \$6,606.22 (the "**Levy Payment**"); and

(ii) make the following additional closing disbursements (collectively the "**Closing Disbursements**"):

(A) pay to Deloitte Corporate Finance Inc. the amount of \$257,096.00 plus GST in payment of the Transaction Fee (as defined in the Engagement Letter) and as set out in the Report;

- (B) pay to Creston Trustee the amount of \$86,066.00 plus GST in payment of its outstanding fees and disbursements as set out in the Report;
 - (C) pay to Gowling Lafleur Henderson LLP the amount of \$65,900.38 including GST and PST in satisfaction of its outstanding fees and disbursements as set out in the Report;
 - (D) Mercator Trustee will retain the amount of \$73,912.50 in full payment of the principal and interest due and owing by the Creston Trustee to the Mercator Trustee pursuant to the Mercator Loan Agreement as defined in the Report; and
- (b) Creston Trustee shall make the Creditor Payments and the Levy Payment.
6. Subject to and upon payment of the amounts set out in paragraph 5(a) and (b) hereof:
- (a) all further duties imposed on Creston Trustee by the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 ("*BIA*") or otherwise are waived including but not limited to duties imposed by *BIA* ss. 39(5), 149, and 152(4) and (5) and Creston Trustee is hereby released from such duties; and
 - (b) Creston Trustee shall be discharged as trustee in bankruptcy of Creston Moly Corp.

7. Creston Trustee and Mercator Trustee shall file with the Office of the Superintendent of Bankruptcy and the Court a certificate confirming that the Creditor Payments, Levy Payment and Closing Disbursements have been made and that the discharge of Creston Trustee has taken place.

THE APPROVAL OF COUNSEL SET OUT IN SCHEDULE "A" OF THIS ORDER IS HEREBY DISPENSED WITH:

Signature of Lawyer for the Trustee
Colin D. Brousson

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

COUNSEL	ACT FOR:

Estate No. 11-1904494
Court No. B141089
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ORDER MADE AFTER APPLICATION

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