

CANADA

SUPERIOR COURT

PROVINCE OF QUEBEC
DISTRICT OF ABITIBI

IN THE MATTER OF THE PROPOSAL OF:

No: 615-11-001402-140
Dossier No. 33-190909

MINES AURBEC INC.

Debtor

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Trustee

MOTION TO AUTHORIZE THE SALE OF ASSETS
(S. 65.13 OF THE *BANKRUPTCY AND INSOLVENCY ACT*)

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN BANKRUPTCY MATTERS IN AND FOR THE DISTRICT OF ABITIBI, OR TO THE BANKRUPTCY REGISTRAR, THE DEBTOR RESPECTFULLY STATES:

1. Mines Aurbec inc. ("**Aurbec**") is a mining and mining exploration company domiciled in the district of Val-d'Or, as appears from a copy of results of a search of the CIDREQ register maintained by the *Registraire des entreprises*, **Exhibit P-1**.
2. Aurbec is a subsidiary of Minéraux Maudore ltée ("**Maudore**"), a publicly-owned Quebec junior gold company listed as MAO on the TSX Venture Exchange (TSX-V) with more than 22 exploration projects located near the towns of Amos, Lebel-sur-Quévillon and Matagami.
3. On September 8, 2014, both Aurbec and Maudore filed notices of their intention to make a proposal to their creditors under the *Bankruptcy and Insolvency Act* ("**BIA**") with Samson Bélaïr/Deloitte & Touche Inc. agreeing in both instances to act as proposal trustee (the "**Trustee**"), the whole as appears from a copy of the documents mailed to the creditors of Aurbec, **Exhibit P-2**, and a copy of the documents mailed to the creditors of Maudore, **Exhibit P-3**.

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4. On October 8, 2014, the court extended the deadlines for Aurbec and Maudore to file their proposals for a period 44 days, until Friday, November 21, 2014, as appears from the court record;
5. Since the filing of the notices of intention, the only creditor which has asked the Trustee for notice of future proceedings is Revenu Québec, as appears from a copy of the service list maintained by the Trustee, **Exhibit P-4**.
6. As appears from its statement of affairs (Exhibit P-2), the two largest claims recognised by Aurbec are to its majority shareholder Maudore in the amount of \$108 682,874.56, and to FBC Holdings S.à.r.l., controlled by Cyrus Capital Partners L.P. (collectively "FBC/Cyrus"), which is also a minority shareholder of Aurbec, in the amount of \$30,381,243.75.
7. Aurbec's principal assets are the Sleeping Giant mine and processing facility about 80 km north of Amos ("**Sleeping Giant**"), and the Vezza project about 25 km south of Matagami ("**Vezza**"); at present, Sleeping Giant is in a reduced operational mode and Vezza has been on "care and maintenance" status since September 2013.
8. While it continues to pursue discussions with potential acquirers or investors, Aurbec has identified mining equipment which is not being used and which it wishes to sell in order to generate liquidity during the proposal process.
9. Aurbec has signed an agreement to sell those assets to a third party not related to Aurbec, subject to the approval of the Trustee and this court, as appears from a copy of the *convention d'achat d'actifs* dated October 30, 2014, **Exhibit P-5**.
10. The mining equipment is charged by a hypothec in favour of FBC Holdings, as appears from a copy of said hypothec, **Exhibit P-6** and from results of a search of the *Registre des droits personnels et réels mobiliers*, **Exhibit P-7**.
11. The Trustee has signed a report in support of the proposed sale, in which the Trustee:
 - a) reviews the process leading to the proposed sale (paras. 10 to 12 of the report);
 - b) discusses the offer itself (paras. 13 to 15 of the report);
 - c) notes that FBC/Cyrus has consented to the sale (para. 16 of the report);
 - d) assesses the reasonableness of the offer, notably in relation to the market value of the assets (paras. 17 to 21);
 - e) concludes that the offer is reasonable (para. 22);the whole as appears from a copy of the Trustee's report, **Exhibit P-8**.
12. In the event that the sale is not approved the offer will be void, as appears from the agreement (Exhibit P-5).


WHEREFORE, MAY IT PLEASE THE COURT:

GRANT the present motion.

AUTHORIZE the Debtor to sell, outside the ordinary course of its business, the assets identified in the *convention d'achat d'actifs* dated November 30, 2014 (Exhibit P-5).

THE WHOLE without costs, unless contested.

MONTREAL, November 5, 2014



WOODS LLP
Attorneys for the Debtor

NOTICE OF PRESENTATION

TO:

Mr. Jean-François Nadon
Samson Bélair/Deloitte & Touche Inc.
1 Place Ville-Marie, suite 3000
Montreal (Quebec) H3B 4T9

Mtre. Jean Legault
Lavery
1 Place Ville Marie
Suite 4000
Montreal (Quebec) H3B 4M4

Ms. Lucie Pageot
Direction générale du recouvrement
Revenu Quebec
Secteur C65-61
1265, Blvd. Charest Ouest
Quebec (Quebec) G1N 4V5


Mtre. Alain Riendeau
Fasken Martineau Dumoulin LLP
Place Victoria
800, Square-Victoria Street
Suite 3700
Montreal (Quebec) H4Z 1E9

Mr. Jean Gagnon
Raymond Chabot Inc.
Tower of the Bank National
2000-600 de la Gauchetière West, St.
Montreal (Quebec) H3B 4L8

TAKE NOTICE that the Motion to Authorise the Sale of Assets shall be presented to the bankruptcy registrar at the courthouse of Val d'Or, 900 - 7th Street, **on November 7, 2014 at a time and place to be determined.**

DO GOVERN YOURSELF ACCORDINGLY.

MONTREAL, November 5, 2014



WOODS LLP
Attorneys for the Debtor

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DISTRICT OF ABITIBI

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Debtor

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Trustee

**AFFIDAVIT OF GREG STRUBLE
(MOTION TO AUTHORIZE THE SALE OF ASSETS)**

I, the undersigned, **Gregory Robert Struble**, domiciled and residing for present purposes at 1495 4th Street, Val-d'Or, Quebec, J9P 6X1 do solemnly affirm that:

1. I am president and chief executive officer of **Minéraux Maudore ltée ("Maudore")** and **Mines Aurbec inc. ("Aurbec")**.
2. **Mines Aurbec inc. ("Aurbec")** is a mining and mining exploration company domiciled in the district of Val-d'Or, as appears from a copy of results of a search of the CIDREQ register maintained by the *Registraire des entreprises*, **Exhibit P-1**.
3. **Aurbec** is a subsidiary of **Minéraux Maudore ltée ("Maudore")**, a publicly-owned Quebec junior gold company listed as MAO on the TSX Venture Exchange (TSX-V) with more than 22 exploration projects located near the towns of Amos, Lebel-sur-Quévillon and Matagami.
4. On September 8, 2014, both **Aurbec** and **Maudore** filed notices of their intention to make a proposal to their creditors under the *Bankruptcy and Insolvency Act* ("**BIA**") with **Samson Bélaïr/Deloitte & Touche Inc.** agreeing in both instances to act as proposal trustee (the "**Trustee**"), the whole as appears from a copy of the documents mailed to the creditors of **Aurbec**, **Exhibit P-2**, and a copy of the documents mailed to the creditors of **Maudore**, **Exhibit P-3**.

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5. On October 8, 2014, the court extended the deadlines for Aurbec and Maudore to file their proposals for a period 44 days, until Friday, November 21, 2014, as appears from the court record;
6. Since the filing of the notices of intention, the only creditor which has asked the Trustee for notice of future proceedings is Revenu Québec, as appears from a copy of the service list maintained by the Trustee, **Exhibit P-4**.
7. As appears from its statement of affairs (Exhibit P-2), the two largest claims recognised by Aurbec are to its majority shareholder Maudore in the amount of \$108,682,874.56, and to FBC Holdings S.à.r.l., controlled by Cyrus Capital Partners L.P. (collectively "**FBC/Cyrus**"), which is also a minority shareholder of Aurbec, in the amount of \$30,381,243.75.
8. Aurbec's principal assets are the Sleeping Giant mine and processing facility about 80 km north of Amos ("**Sleeping Giant**"), and the Vezza project about 25 km south of Matagami ("**Vezza**"); at present, Sleeping Giant is in a reduced operational mode, and Vezza has been on "care and maintenance" status since September 2013.
9. While it continues to pursue discussions with potential acquirers or investors, Aurbec has identified mining equipment which is not being used and which it wishes to sell in order to generate liquidity during the proposal process.
10. Aurbec has signed an agreement to sell those assets to a third party not related to Aurbec, subject to the approval of the Trustee and this court, as appears from a copy of the *convention d'achat d'actifs* dated October 30, 2014, **Exhibit P-5**.
11. The mining equipment is charged by a hypothec in favour of FBC Holdings, as appears from a copy of said hypothec, **Exhibit P-6** and from results of a search of the *Registre des droits réels et personnels mobiliers*, **Exhibit P-7**.
12. The Trustee has signed a report in support of the proposed sale, in which the Trustee:
 - a) reviews the process leading to the proposed sale (paras. 10 to 12 of the report);
 - b) discusses the offer itself (paras. 13 to 15 of the report);
 - c) notes that FBC/Cyrus has consented to the sale (para. 16 of the report);
 - d) assesses the reasonableness of the offer, notably in relation to the market value of the assets (paras. 17 to 21);
 - e) concludes that the offer is reasonable (para. 22);the whole as appears from a copy of the Trustee's report, **Exhibit P-8**.
13. In the event that the sale is not approved the offer will be void, as appears from the agreement (**Exhibit P-5**).

AND I HAVE SIGNED


GREGORY ROBERT STRUBLE

Solemnly affirmed before me in

VAL-d'OR
this 5th day of November, 2014


Commissioner of Oaths

MÉLANIE DRAPEAU-CORMIER
Commissaire à l'asseurement
pour le Québec
188 365

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**PROVINCE OF QUEBEC
DISTRICT OF ABITIBI**

IN THE MATTER OF THE PROPOSAL OF:

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MINES AURBEC INC.

Debtor

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Trustee

LIST OF EXHIBITS

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- P-1: Search of the CIDREQ register maintained by the *Registraire des entreprises*;
 - P-2: Documents mailed to the creditors of Aurbec;
 - P-3: Documents mailed to the creditors of Maudore;
 - P-4: Service list maintained by the Trustee;
 - P-5: *Convention d'achat d'actifs* dated October 30, 2014;
 - P-6: Deed of hypothec dated March 24, 2014;
 - P-7: Search of the *Registre des droits personnels et réels mobiliers*, en liasse;
 - P-8 Trustee's report dated October 31, 2014.

MONTREAL, November 5, 2014



WOODS LLP
Attorneys for the Debtor

No.:615-11-001402-140

SUPERIOR COURT
DISTRICT OF ABITIBI
PROVINCE OF QUÉBEC

**IN THE MATTER OF THE PROPOSAL
OF :**

MINES AURBEC INC.

Debtor

and

**SAMSON BÉLAIR/DELOITTE &
TOUCHE INC.**

Trustee

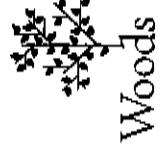
**MOTION TO AUTHORIZE THE SALE OF
ASSETS + AFFIDAVIT +
EXHIBITS P-1 TO P-8**

ORIGINAL

Mtre. Neil A. Peden
File No.: 5574-1

Woods

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